

AMENDED IN ASSEMBLY JULY 29, 2003
AMENDED IN ASSEMBLY JULY 8, 2003
AMENDED IN ASSEMBLY JUNE 23, 2003
AMENDED IN ASSEMBLY JUNE 11, 2003
AMENDED IN SENATE MAY 12, 2003
AMENDED IN SENATE APRIL 21, 2003
AMENDED IN SENATE APRIL 3, 2003
AMENDED IN SENATE MARCH 26, 2003
AMENDED IN SENATE MARCH 12, 2003

SENATE BILL

No. 88

Introduced by Senator Chesbro

January 27, 2003

An act to add Section 23399.6 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 88, as amended, Chesbro. Alcoholic beverages: permits: winegrowers.

Existing law permits the Department of Alcoholic Beverage Control to issue special temporary licenses and permits to various entities for limited purposes.

This bill would ~~permit~~ *authorize* the department to issue a wine sales event permit to allow a licensee under a winegrower's license to sell bottled wine that is produced by the winegrower at an approved event

held by a tax-exempt organization, as specified, for not more than 5 consecutive days.

The bill would prohibit a wine sales event permit from being used more than 2 times a month at a particular location, and limit the amount of wine a licensee may sell under a permit.

The bill would authorize the organization to charge a fee for the licensee's use of display booth space, and require the organization to allow the participation of more than one winegrower under a permit if public attendance at an event is expected to reach or exceed ~~100,000~~ 1,000 people.

This bill would also require the department to report to the Legislature within 24 months whether the \$50 wine sales event permit fee is sufficient to compensate the department for extra costs it may incur in administering and enforcing these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 23399.6 is added to the Business and
- 2 Professions Code, to read:
- 3 23399.6. (a) Any licensee under a winegrower's license may
- 4 apply to the department for a wine sales event permit. The wine
- 5 sales event permit shall authorize the sale of bottled wine produced
- 6 by the winegrower at festivals, state, county, district, or citrus fruit
- 7 fairs, civic or cultural celebrations, or similar events approved by
- 8 the department. The sale of the wine shall not be the primary
- 9 purpose of the event, and the sale shall be for consumption off the
- 10 premises where sold. The permit shall be valid for a maximum of
- 11 five consecutive days during the event period. The event shall be
- 12 sponsored by an organization that is exempt from taxation ~~as one~~
- 13 ~~of the following:~~
- 14 ~~(1) An organization described in Section 23701a of the~~
- 15 ~~Revenue and Taxation Code, including state designated fairs, as~~
- 16 ~~specified in Section 19418.~~
- 17 ~~(2) A corporation or community chest or trust, organized and~~
- 18 ~~operated exclusively for religious, charitable, or educational~~
- 19 ~~purposes only, pursuant to Section 23701d of the Revenue and~~
- 20 ~~Taxation Code.~~

1 ~~(3) An organization described in Section 23701e of the~~
2 ~~Revenue and Taxation Code.~~

3 ~~(4) A veterans' organization described in Section 23701w of~~
4 ~~the Revenue and Taxation Code. under Section 23701a of the~~
5 ~~Revenue and Taxation Code, including state designated fairs as~~
6 ~~specified in Section 19418 of the Revenue and Taxation Code, or~~
7 ~~exempt from taxation under Section 23701b, 23701d, 23701e,~~
8 ~~23701k, 23701l, 23701r, or 23701w of the Revenue and Taxation~~
9 ~~Code.~~

10 (b) A wine sales event permit may not be used more than two
11 times a month at a particular location.

12 (c) Consent for sales at each event shall be first obtained by an
13 annual authorization issued by the department. The applicant for
14 the wine sales permit is required to notify the city, county, or city
15 and county where the event is being held at least five days prior to
16 the event, and shall obtain approval from the local law
17 enforcement agency prior to the start of the event. The local
18 agency reviewing the permit shall render its decision within five
19 days. At all events, a copy of the wine sales permit and the local
20 agency approval shall be maintained. The licensee may exercise
21 only those privileges authorized by the licensee's license and shall
22 comply with all provisions of the act pertaining to that license, and
23 any violation of those provisions may be grounds for suspension
24 or revocation of the licensee's license or permit, or both, as though
25 the violation occurred on the licensed premises.

26 (d) (1) A licensee may not sell more than 5,000 gallons of wine
27 annually pursuant to wine sales event permits issued under this
28 section to that licensee.

29 (2) A licensee holding a wine sales event permit may not sell
30 more than 1,250 gallons of wine per event.

31 (3) A licensee that is eligible to receive a certified farmers'
32 market sales permit under Section 23399.4 and a wine sales event
33 permit may not, under both permits collectively, sell more than a
34 total of 5,000 gallons of wine annually.

35 (4) The licensee shall annually report to the department the
36 total gallons of wine sold by that licensee under permits issued
37 under this section to that licensee. The report may be included
38 within the annual report of production submitted by the licensee
39 to the department, or may be made in another manner as prescribed
40 by the department in regulation.

1 (e) The sponsoring tax-exempt organization may charge a fee
2 of the licensee for the licensee's use of display booth space. The
3 fee, if paid, shall be comparable with, or less than, fees, or goods
4 or services of equivalent value, paid by other vendors at the event
5 for a similar booth size and location.

6 (f) The sponsoring tax-exempt organization shall allow the
7 participation of more than one winegrower under a wine sales
8 event permit at an event if public attendance at the event is
9 expected to reach or exceed ~~50,000~~ 1,000 attendees. The prior
10 year's stated attendance for the event shall be used to determine the
11 expected attendance.

12 (g) (1) The fee for the authorization to utilize a wine sales
13 permit shall be fifty dollars (\$50) per year, and the authorization
14 may be renewable annually at the time of the licensee's license.
15 The wine sales permit authorization shall be transferable as part of
16 the license.

17 (2) All money collected as fees pursuant to this subdivision
18 shall be deposited in the Alcohol Beverage Control Fund, as
19 described in Section 25761, for allocation, upon appropriation by
20 the Legislature, as provided in subdivision (d) of that section.

21 (h) The department may adopt any regulations as it determines
22 to be necessary for the administration of this section.

23 SECTION 2. The department shall, 24 months after the
24 effective date of this act, report to the Legislature on whether the
25 fifty dollar (\$50) wine event sales permit fee imposed pursuant to
26 subdivision (g) of Section 23399.6 provides sufficient funds to
27 compensate the department for any additional administrative and
28 enforcement duties it is required to perform pursuant to this act.